

# TEA

# Personal Financial Literacy Curriculum Update

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TEXAS HIGHER EDUCATION COORDINATING BOARD

FINANCIAL LITERACY ADVISORY COMMITTEE

DECEMBER 2016



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# Agenda

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1. Personal Financial Literacy (PFL) in the Texas K-12 Curriculum
2. PFL in K-8 Mathematics
3. PFL in High School Economics
4. PFL in the New High School Elective Course

# Personal Financial Literacy in the Texas K-12 Curriculum

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# Personal Financial Literacy in the Texas K-12 Curriculum

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## Required Curriculum

- K-8 Mathematics
- Economics with Emphasis on the Free Enterprise System and Its Benefits
- Personal Financial Literacy

## Additional Elective Offerings

- Mathematical Models with Applications
- Money Matters Banking and Financial Services
- Securities and Investments
- Insurance Operations
- Accounting I
- Accounting II
- Financial Analysis
- Statistics and Risk Management
- Financial Mathematics
- Dollars and Sense

# Personal Financial Literacy in the Texas K-12 Curriculum

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## **K-8 Mathematics**

- required for all students
- includes some personal financial literacy Texas Essential Skills and Knowledge (TEKS)

## **Economics with Emphasis on the Free Enterprise System and Its Benefits**

- course required for high school graduation
- includes some personal financial literacy TEKS

## **Personal Financial Literacy**

- course required to be offered as a high school elective, but students are not required to take the course
- TEKS are focused entirely on personal financial literacy

# Example of Texas Essential Knowledge and Skills (TEKS)

- Strand**
- Knowledge and Skills Statement**
- (10) **Personal financial literacy.** The student applies mathematical process standards to manage one's financial resources effectively for lifetime financial security. The student is expected to:
- Student Expectation
- (A) distinguish between fixed and variable expenses;
  - (B) calculate profit in a given situation;
  - (C) compare the advantages and disadvantages of various savings options;
  - (D) describe how to allocate a weekly allowance among spending; saving, including for college; and sharing; and
  - (E) describe the basic purpose of financial institutions, including keeping money safe, borrowing money, and lending.

# Personal Financial Literacy in K-8 Mathematics

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# Personal Financial Literacy in Kindergarten Math

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**(9) Personal financial literacy.** The student applies mathematical process standards to manage one's financial resources effectively for lifetime financial security. The student is expected to:

- (A) identify ways to earn income;
- (B) differentiate between money received as income and money received as gifts;
- (C) list simple skills required for jobs; and
- (D) distinguish between wants and needs and identify income as a source to meet one's wants and needs

# Personal Financial Literacy in Grade 3 Math

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**(9) Personal financial literacy.** The student applies mathematical process standards to manage one's financial resources effectively for lifetime financial security. The student is expected to:

- (A) explain the connection between human capital/labor and income;
- (B) describe the relationship between the availability or scarcity of resources and how that impacts cost;
- (C) identify the costs and benefits of planned and unplanned spending decisions;
- (D) explain that credit is used when wants or needs exceed the ability to pay and that it is the borrower's responsibility to pay it back to the lender, usually with interest;
- (E) list reasons to save and explain the benefit of a savings plan, including for college; and
- (F) identify decisions involving income, spending, saving, credit, and charitable giving.

# Personal Financial Literacy in the Grade 6 Math

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**(14) Personal financial literacy.** The student applies mathematical process standards to develop an economic way of thinking and problem solving useful in one's life as a knowledgeable consumer and investor. The student is expected to:

- (A) compare the features and costs of a checking account and a debit card offered by different local financial institutions;
- (B) distinguish between debit cards and credit cards;
- (C) balance a check register that includes deposits, withdrawals, and transfers;
- (D) explain why it is important to establish a positive credit history;
- (E) describe the information in a credit report and how long it is retained;
- (F) describe the value of credit reports to borrowers and to lenders;
- (G) explain various methods to pay for college, including through savings, grants, scholarships, student loans, and work-study; and
- (H) compare the annual salary of several occupations requiring various levels of post-secondary education or vocational training and calculate the effects of the different annual salaries on lifetime income.

# Personal Financial Literacy in Grade 8 Math

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**(12) Personal financial literacy.** The student applies mathematical process standards to develop an economic way of thinking and problem solving useful in one's life as a knowledgeable consumer and investor. The student is expected to:

- (A) solve real-world problems comparing how interest rate and loan length affect the cost of credit;
- (B) calculate the total cost of repaying a loan, including credit cards and easy access loans, under various rates of interest and over different periods using an online calculator;
- (C) explain how small amounts of money invested regularly, including money saved for college and retirement, grow over time;
- (D) calculate and compare simple interest and compound interest earnings;
- (E) identify and explain the advantages and disadvantages of different payment methods;
- (F) analyze situations to determine if they represent financially responsible decisions and identify the benefits of financial responsibility and the costs of financial irresponsibility; and
- (G) estimate the cost of a two-year and four-year college education, including family contribution, and devise a periodic savings plan for accumulating the money needed to contribute to the total cost of attendance for at least the first year of college.

# Personal Financial Literacy in High School Economics

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# Personal Financial Literacy in High School Economics

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**(16) Personal financial literacy. The student understands types of business ownership. The student is expected to:**

- (A) explain the characteristics of sole proprietorships, partnerships, and corporations;
- (B) analyze the advantages and disadvantages of sole proprietorships, partnerships, and corporations;
- (C) analyze the economic rights and responsibilities of businesses, including those involved in starting a small business; and
- (D) explain how corporations raise money through stocks and bonds.

# Personal Financial Literacy in High School Economics

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**(17) Personal financial literacy. The student understands the role of financial markets/institutions in saving, borrowing, and capital formation. The student is expected to:**

- (A) explain the functions of financial institutions and how they affect households and businesses;
- (B) explain how the amount of savings in an economy is the basis of capital formation;
- (C) analyze the role of interest and risk in allocating savings to its most productive use; and
- (D) examine the types of accounts available to consumers from financial institutions and the risks, monetary costs, and benefits of maintaining these accounts.

# Personal Financial Literacy in High School Economics

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**(18) Personal financial literacy.** The student understands the role of individuals in financial markets. The student is expected to:

- (A) assess ways to be a wise investor in the stock market and in other personal investment options;
- (B) explain how to begin a savings program;
- (C) examine investment options available in a personal retirement plan;
- (D) demonstrate how to maintain a checking account, including reconciling a bank statement;
- (E) identify the types of loans available to consumers;
- (F) explain the responsibilities and obligations of borrowing money; and
- (G) develop strategies to become a low-risk borrower by improving one's personal credit score.



# Personal Financial Literacy in High School Economics

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**(19) Personal financial literacy.** The student applies critical-thinking skills to analyze the costs and benefits of personal financial decisions. The student is expected to:

- (A) examine ways to avoid and eliminate credit card debt;
- (B) evaluate the costs and benefits of declaring personal bankruptcy;
- (C) evaluate the costs and benefits of buying insurance; and
- (D) evaluate the costs and benefits of charitable giving

# Personal Financial Literacy in High School Economics

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**(20) Personal financial literacy.** The student understands how to provide for basic needs while living within a budget. The student is expected to:

- (A) evaluate the costs and benefits of renting a home;
- (B) evaluate the costs and benefits of buying a home; and
- (C) assess the financial aspects of making the transition from renting to home ownership.

# Personal Financial Literacy in High School Economics

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**(21) Personal financial literacy.** The student understands the various methods available to pay for college and other postsecondary education and training. The student is expected to:

- (A) understand how to complete the Free Application for Federal Student Aid (FAFSA) provided by the United States Department of Education;
- (B) research and evaluate various scholarship opportunities such as those from state governments, schools, employers, individuals, private companies, nonprofits, and professional organizations;
- (C) analyze and compare student grant options;
- (D) analyze and compare student loan options, including private and federal loans;
- (E) research and evaluate various work-study program opportunities; and
- (F) investigate nontraditional methods of paying for college or postsecondary education and training

# Personal Financial Literacy New High School Elective Course

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| Date             | Personal Financial Literacy Course and TEKS Development  |
|------------------|--|
| 2013             | The 83rd Texas Legislature passed HB 2662, amending the TEC, §28.0021, to require school districts and open-enrollment charter schools offering a high school program to provide a one-half credit elective course in personal financial literacy. |
| 2014             | The State Board of Education asked TEA staff to move forward with the development of TEKS for a one-half credit elective course in personal financial literacy.  |
| 2015<br>May      | A committee of secondary and postsecondary educators and business and industry representatives have the first of multiple meetings that draft the proposed TEKS for the new personal financial literacy course.                                    |
| 2015<br>November | The State Board of Education approved for first reading and filing authorization the proposed TEKS for the new Personal Financial Literacy course.   |
| 2015<br>December | Public comment period for the proposed Personal Financial Literacy TEKS begins and continues through late January.   |
| 2016<br>January  | The State Board of Education adopted proposed new 19 TAC Chapter 113, Texas Essential Knowledge and Skills for Social Studies, Subchapter C, High School, §113.49, Personal Financial Literacy (One-Half Credit).                                  |

# The New Personal Financial Literacy Course

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- **One-Half Credit Elective:** School districts and open-enrollment charter schools offering a high school program must provide this one-half credit elective course.
- **High Schools:** The course is recommended for students in Grades 10-12.
- **Effective Date:** August 2016 is the effective date. The new elective course must be offered to students for the upcoming 2016-2017 school year.



# Personal Financial Literacy FAQs

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## **1. Does this Personal Financial Literacy course need to be offered to students in the 2016-2017 school year?**

Yes, starting with the 2016-2017 school year, each school district and each open-enrollment charter school that offers a high school program must provide this Personal Financial Literacy elective course.



# Personal Financial Literacy FAQs

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## 2. Is the new PFL course required for high school graduation?

No, the course is not a graduation requirement. School districts and open-enrollment charter schools must provide the course as a high school elective, but students are not required to take and complete the course for graduation.



# Personal Financial Literacy

## New High School Elective Course TEKS

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### Earning and spending: The student

- (1) understands how to set personal financial goals.
- (2) understands how financial statements are used to assess and monitor financial well-being.
- (3) analyzes components of compensation from employment.
- (4) critically evaluates consumption decisions.

# Personal Financial Literacy

## New High School Elective Course

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### **Saving and investing: The student**

- (5) understands the importance of saving and investing in creating wealth and building assets.**
- (6) understands the implementation of a saving and investing plan.**
- (7) demonstrates an understanding of the importance of planning for retirement.**

# Personal Financial Literacy

## New High School Elective Course

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### **Credit and borrowing: The student**

- (8) understands the use of credit to make purchases.**
- (9) identifies factors that affect credit worthiness.**
- (10) evaluates a decision to use credit.**

# Personal Financial Literacy

## New High School Elective Course

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### **Insuring and protecting: The student**

- (11) recognizes financial risks faced by individuals and families and identifies strategies for handling these risks.**
- (12) identifies the costs and benefits of insurance for transferring risk.**
- (13) understands how to identify and protect themselves from frauds, schemes, and scams.**
- (14) understands the legal instruments available for estate planning.**

# Personal Financial Literacy

## New High School Elective Course

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### College and postsecondary education and training: The student

- (15) recognizes the costs and benefits of various types of college, postsecondary education, and training.
- (16) understands various options for paying for college, postsecondary education, and training.

# Where Can I Find the TEKS for the Various Subject Areas?

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**Texas Education Agency Website**

**Curriculum and Instructional Materials**

**Curriculum Standards**

**[http://tea.texas.gov/Curriculum\\_and\\_Instructional\\_Programs/Curriculum/](http://tea.texas.gov/Curriculum_and_Instructional_Programs/Curriculum/)**





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### College & Career Readiness

- [AP - IB Incentive Program](#)
- [Early College High School](#)
- [GEAR UP](#)
- [P-16 Initiatives](#)
- [T-STEM](#)

### Learning Support and Programs

- [Career and Technical Education](#)
- [Character Education](#)
- [Innovative Courses](#)
- [Mathematics and Reading Academies](#)
- [Texas Gateway \(formerly Project](#)

### Curriculum Standards

- [TEKS Texas Essential Knowledge and Skills](#)
- [TEKS in Spanish](#)
- [TEKS Subject Area Review](#)

### Special Student Populations

- [Bilingual - ESL Education](#)
- [Dyslexia](#)
- [Early Childhood Education](#)
- [Foster Care and Student Success](#)
- [Gifted and Talented Education](#)

### Graduation Information

- [Automatic College Admissions](#)
- [Graduation Reports - PEIMS Standard Reports](#)
- [Foundation High School Program](#)
- [State Graduation Requirements](#)

### Special Education

- [Data and Reports](#)
- [Dispute Resolution Process](#)
- [Parent and Family Resources](#)
- [Programs and Services](#)

### Instructional Materials

- [Accessible Materials](#)
- [Instructional Materials Allotment](#)
- [Ordering Instructional Materials](#)
- [Publisher Portal](#)
- [Review and Adoption Process](#)

### Subject Areas

- [Career & Technical Education](#)
- [English Language Arts and Reading](#)
- [Fine Arts](#)
- [Health Education](#)
- [Innovative Courses](#)

# Where Can I Find the Mathematics TEKS Associated with Personal Financial Literacy?

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**19 TAC Chapter 111.**

**Texas Essential Knowledge and Skills for Mathematics**

**<http://ritter.tea.state.tx.us/rules/tac/chapter111/index.html>**





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# 19 TAC Chapter 111. Texas Essential Knowledge and Skills for Mathematics

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[Link to Subchapters from Subchapter Titles](#) - [Link to Sections from Icons](#)

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## [Subchapter A. Elementary](#)

- §111.1. Implementation of Texas Essential Knowledge and Skills for Mathematics, Elementary, Adopted 2012.
- §111.2. Kindergarten, Adopted 2012.
- §111.3. Grade 1, Adopted 2012.
- §111.4. Grade 2, Adopted 2012.
- §111.5. Grade 3, Adopted 2012.
- §111.6. Grade 4, Adopted 2012.
- §111.7. Grade 5, Adopted 2012.

## [Subchapter B. Middle School](#)

- §111.25. Implementation of Texas Essential Knowledge and Skills for Mathematics, Middle School, Adopted 2012.
- §111.26. Grade 6, Adopted 2012.
- §111.27. Grade 7, Adopted 2012.

# Where Can I Find the Economics TEKS Associated with Personal Financial Literacy?

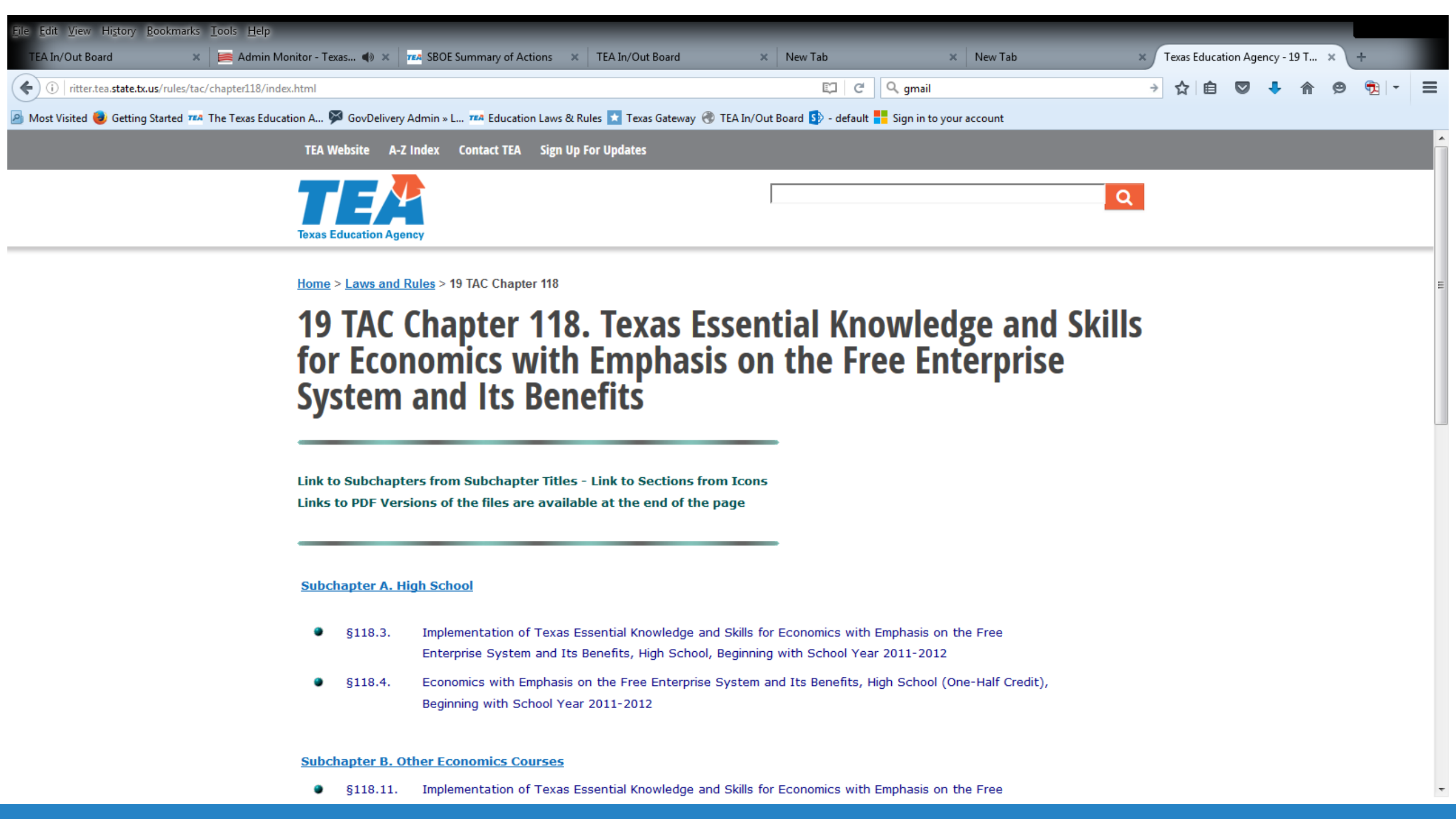
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**19 TAC Chapter 118.**

**Texas Essential Knowledge and Skills for Economics with Emphasis on the Free Enterprise System and Its Benefits**

**<http://ritter.tea.state.tx.us/rules/tac/chapter118/index.html>**





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# 19 TAC Chapter 118. Texas Essential Knowledge and Skills for Economics with Emphasis on the Free Enterprise System and Its Benefits

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## [Subchapter A. High School](#)

- §118.3. Implementation of Texas Essential Knowledge and Skills for Economics with Emphasis on the Free Enterprise System and Its Benefits, High School, Beginning with School Year 2011-2012
- §118.4. Economics with Emphasis on the Free Enterprise System and Its Benefits, High School (One-Half Credit), Beginning with School Year 2011-2012

## [Subchapter B. Other Economics Courses](#)

- §118.11. Implementation of Texas Essential Knowledge and Skills for Economics with Emphasis on the Free

# Where Can I Find the Personal Financial Literacy High School Elective TEKS?

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**19 TAC Chapter 113.**

**Texas Essential Knowledge and Skills for Social Studies**

**<http://ritter.tea.state.tx.us/rules/tac/chapter113/index.html>**





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## 19 TAC Chapter 113. Texas Essential Knowledge and Skills for Social Studies

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### [Subchapter A. Elementary](#)

- §113.10. Implementation of Texas Essential Knowledge and Skills for Social Studies, Elementary, Beginning with School Year 2011-2012.
- §113.11. Social Studies, Kindergarten, Beginning with School Year 2011-2012.
- §113.12. Social Studies, Grade 1, Beginning with School Year 2011-2012.

# Where Can I Find the Career and Technical Education (CTE) TEKS Associated with Personal Financial Literacy?

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**19 TAC Chapter 130. Texas Essential Knowledge and Skills for Career and Technical Education**

**<http://ritter.tea.state.tx.us/rules/tac/chapter130/index.html>**





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# 19 TAC Chapter 130. Texas Essential Knowledge and Skills for Career and Technical Education

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## [Subchapter A. Agriculture, Food, and Natural Resources](#)

- §130.1. Implementation of Texas Essential Knowledge and Skills for Agriculture, Food, and Natural Resources.
- §130.2. Principles of Agriculture, Food, and Natural Resources (One-Half to One Credit).
- §130.3. Livestock Production (One-Half to One Credit).
- §130.4. Small Animal Management (One-Half to One Credit).
- §130.5. Equine Science (One-Half to One Credit).

# Curriculum Standards and Student Support Division Contacts

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